Appendix 8: Freddie Mac's Abnormal Return Is Statistically Insignificant on August 30, 2007 after Adjusting for Industry Effects and the Heightened Volatility during the Financial Crisis Post-August 9, 2007

This market model is estimated over 8/9/2007 - 11/20/2007

Regression Statistics	
R Square	0.913
Adjusted R Square	0.907
Standard Error	0.013
Observations	73.000

ANOVA

	df	ss	ms	F	Significance F
Regression	4.000	0.128	0.032	177.501	0.000
Residual	68.000	0.012	0.000		
Total	72.000	0.140			

	Coefficients	Standard Error	t Stat	P-Value
Intercept	(0.001)	0.002	(0.901)	0.371
S&P 500 (GSPC Index)	0.875	0.174	5.021	0.000
Fannie Mae (FNM)	0.579	0.069	8.449	0.000
August 30, 2007 Dummy Variable	(0.024)	0.014	(1.781)	0.079
November 20, 2007 Dummy Variable	(0.145)	0.022	(6.660)	0.000

[1] I use arithmetic returns in conducting this analysis. I use the same market index used by Professor Hallman in his event study, but also include the return on Fannie Mae to control for the industry effects.

[2] I estimate this model over the credit crisis period (August 9, 2007 to November 20, 2007).

[3] I include two dummy variables for the two dates that Dr. Hallman found to be statistically significant in his event study to measure their impact on the updated model.

[4] All data used in this analysis was downloaded from Yahoo! Finance, as was done by Dr. Hallman [See Hallman Dep., exhibit 23].